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**U.S. House of Representatives
Committee on International Relations
Subcommittees on Asia and the Pacific, and on International
Terrorism, Nonproliferation, and Human Rights**

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October 29, 2003

U.S. Counterterrorism Policy for East Asia and the Pacific

Mr. Chairman and distinguished members of the subcommittees, I appreciate the opportunity to meet with you. The President has just returned from East Asia, where he met with our Asian allies and partners in the war against terrorism, not just at the APEC Summit in Thailand but also during his visits to Japan, the Philippines, Singapore, Indonesia and Australia.

In East Asia and the Pacific, counter-terrorism moved to the top of our foreign policy priorities after September 11. Southeast Asia, home to more than 200 million Muslims, is threatened not only by Al-Qaida but also by regional terrorist organizations such as the Jemaah Islamiyah. With the murder of 202 people in the October 2002 bombing in Bali, Indonesia, East Asia suffered the worst terrorist attack since September 11.

Although many Asian states have been plagued by local terrorism, Southeast Asia was often viewed as on the fringe of the Muslim world. Immediately after 9/11, Islamic-based terrorism was often portrayed as a foreign import to the region. But that was a misunderstanding. To one degree or another the states of the region, like the U.S., have been forced to readjust their views, and acknowledge the extent and sophistication of indigenous terrorist organizations and networks. Moreover, these networks are not composed of the wretched of the earth, but often of educated and well-off recruits. We continue to be impressed by the depth of the links that connect Southeast Asian terrorist

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to their counterparts outside the region. For example, a cell of the Southeast Asian regional Islamic terrorist Jemaah Islamiyah was recently dismantled in Karachi, Pakistan. We are not confident that we have yet identified the all the tentacles of the terrorist networks or the boundaries to their presence and influence.

The new terrorism all of us face is transnational. Thus, defending ourselves demands unprecedented international cooperation. Just as terrorists work together to move men, material and money across borders, coordination with our allies, partners and friends is essential to prevent terrorists from slipping through the cracks between national authorities and, indeed, within some countries. Thus, diplomacy is the bedrock on which intelligence, law enforcement, financial and, in specific cases, military cooperation against terrorism, has expanded in East Asia.

In two years, Southeast Asian states have come a long way toward developing effective, cooperative strategies against international terrorism, while continuing to wrestle with demands to strengthen democracy and restore prosperity after the Asian Financial Crisis of 1997-98. U.S. counterterrorism efforts in the region complement these goals, both of which will sustain Asian states campaigns, over the longer term, to drain the terrorist swamp.

Australia, China and Japan, among other Asian states, have made significant contributions to the international campaign against terrorism, both within and outside the region. Japan, our linchpin ally in Asia, continues to back the international war against terrorism. It supports our counterterrorism efforts during Operation Enduring Freedom in Afghanistan by supplying coalition naval vessels with operating fuel at its own expense. Japan is a major contributor to Afghanistan reconstruction, and is vital to the demobilization, disarmament and reintegration efforts for that country. At the recent Madrid conference, Japan committed over a billion and a half dollars to Iraq's reconstruction to promote a civil society that does not harbor terrorists. Japan is also a partner in freezing and disrupting the flow of terrorists' assets. We have no more staunch and valued ally across the board on

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counterterrorism than Australia, whose troops fought side by side with American forces in Afghanistan and Iraq and which contributes personnel and funds for Iraq stabilization and reconstruction. Australia has also assumed an important role in combating terrorism in Southeast Asia, closely coordinating with Asian countries and the U.S. on strengthening police, customs, immigration and intelligence capabilities. We have worked with China on sharing counterterrorism information and blocking the flow of terrorist finances by designating terrorists and terrorist organizations under the appropriate UN resolutions. China's awareness of the terrorist threat informs its global perceptions of the role of the United States' military operations in Central Asia. Equally important is the fact that our joint efforts against this threat have, in turn, built trust and strengthened our relations with these countries as a whole.

At the recent Asia Pacific Economic Cooperation (APEC) meetings, the President stressed our fundamental belief that security against terrorism and prosperity are inevitably linked. In Bangkok, leaders of the 21 APEC economies agreed to give APEC a greater security focus and on additional specific counterterrorism programs, for example to control MANPADs. Over the past two years, the United States has also worked very closely and productively with the Association for Southeast Asian Nations (ASEAN), the ASEAN Regional Forum (ARF) and the Pacific Islands Forum (PIF) to develop multilateral responses to a threat that knows no boundaries.

Concentrated attention on and coordinated policies to combat terrorism have degraded terrorist networks in East Asia. More than 200 terrorists have been detained or arrested by our partners. Hambali - a key link between Al Qaida and the Jemaah Islamiyah - is now in our hands. Malaysia has established a regional CT center and regional training and cooperation is at an all time high. Nonetheless, we are well aware of the costs should complacency re-emerge and of the long road many nations still have to travel to significantly improve CT capabilities. Moreover, as they come under pressure in former havens in Southeast Asia, terrorists search for

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softer targets, in neighboring countries or potentially in piracy infested waters, such as the Strait of Malacca.

While I have stressed, appropriately, the international and regional nature of the terrorist threat, and outlined the multinational response to this threat, inevitably much of the war against terrorism takes place within national boundaries. Mr. Chairman, I would now like to take the opportunity to review our specific efforts and the constraints we face in several countries in the region.

Indonesia

As the world's most populous Muslim country, Indonesia demonstrates daily that democracy and Islam are compatible.

Indonesians were inward-looking and, frankly, often reluctant to acknowledge the reality of the terrorist threat until the Bali bombing last October led to a dramatic shift in public opinion. Since Bali, and especially since the Marriott Hotel bombing in August this year, Indonesian authorities have aggressively pursued and brought terrorists to justice. Domestic counter-terrorism legislation has received parliamentary approval and the government has increased cooperation and consultation with its neighbors. Indonesian courts sentenced Jemaah Islamiyah spiritual leader Abu Bakr Bashir to imprisonment, though this sentence is now under appeal. And finally, Indonesia's dominant moderate Muslim organizations are speaking out against violence, and recapturing the lead in public discourse.

However, while the will to combat terrorism has grown, Indonesia remains a country whose counterterrorism efforts face the challenges of porous borders, an often-lax judicial system, corruption, and a generally poor educational system, a small part of which has proved to be a breeding ground for extremists and terrorists. Moreover, Indonesia continues to publicly attribute some of the blame for international terrorism to U.S. Middle East policy. A key challenge for the political system in Indonesia will be the sustained pursuit of terrorists even as sensitivities are heightened by the approach of elections next year.

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Our counterterrorism cooperation with Indonesia is designed to strengthen Indonesia's capabilities, through ongoing programs for police, judicial, and financial training, and through investigative assistance. We are awaiting Indonesian acceptance of an offer of computer system to better control borders, called the terrorist interdiction program. We are working with Indonesia and several donor nations to coordinate anti-terrorism assistance. Moreover, the President proposed, during his recent visit to Indonesia, a major educational initiative designed to support educational establishments that eschew extremism.

The Philippines

The government of President Arroyo is a committed and valued partner in the war on terrorism, but limited resources and internal weaknesses constrain our close ally's efforts to fulfill its commitments.

While Philippine CT operations, involving U.S. military training, achieved significant results against the Abu Sayyaf Group (ASG) in 2002, more recent operations planned for February 2003 sparked an internal Philippine debate, and were postponed. The Philippine Congress did agree to amend its Anti-Money Laundering bill to meet international standards, but the institutional weakness that is endemic among the security organizations in the Philippines was dramatically displayed with the escape of three dangerous terrorists from a high security facility in Manila on July 14, 2003. Subsequently one Jemaah Islamiyah bomb-maker, Fathur Al-Ghozi, was killed as he encountered the Philippine police in Mindanao, and another was recaptured on October 7.

The most hopeful development is President Arroyo's initiative to explore the possibility of peace negotiations with the separatist Moro Islamic Liberation Front (MILF), the largest remaining Muslim insurgency in the Philippines. Unfortunately, some factions of the MILF have maintained links with terrorists. The United States has set aside funds to support a peace process and the U.S. Institute of Peace, in support of the Government of Malaysia, which has the lead for the international community, will help facilitate that process. Our funding in Mindanao is

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contingent on the MILF separating itself from terrorist organizations and the personnel in deed as well as word and also a successful negotiating process. I should add that the U.S. support for the territorial integrity of the Philippines is unshakeable even as we recognize that the Bangsamoro peoples have legitimate and long standing grievances that must be addressed.

Additional U.S. help for Philippines anti-terrorism efforts is extensive, and includes security assistance, such as the training of anti-terrorism Light Reaction Companies, other programs to increase the efficiency of the Philippine Armed Forces, the Terrorist Interdiction Program, and new educational assistance for Muslim areas. The key factor, however, is institutional reform without which U.S. assistance will not avail.

Malaysia/Singapore/Thailand

Singapore and Malaysia have been highly effective in their pursuit of terrorists. In fact, they were the first states in the region to crack terrorist cells and detain their members. Their commitment to fight terrorism in Southeast Asia is undiminished. Malaysia hosts the regional counter-terrorism center, through which we offer training. In two waves of arrests in 2001 and 2002, Singapore detained domestic Jemaah Islamiyah terrorists planning attacks against U.S., Singaporean and other interests. Singapore was the first Asian port to go operational with a program, known as the Container Security Initiative, which allows U.S. bound cargo to be pre-inspected and cleared. Singapore has supported U.S. actions in Afghanistan and Iraq. Both nations will be critical to programs to implement maritime CT programs. Thailand's recent capture of Hambali, al Qaida's point man in Southeast Asia, demonstrates the support of this longstanding ally that prefers to say less and do more. Thailand has signed the Container Security Initiative and the U.S. Trade and Development Agency has signed a grant to start a port and supply chain project at Laem Chabang port. The Thai government has recently passed tough anti-terrorism legislation and amendments to its anti-money laundering law. It has also dispatched over 400

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soldiers to Iraq and recently completed a deployment in Afghanistan.

Conclusion

Throughout East Asia, we support other governments and encourage them to cooperate with each other and with us. We are determined to limit the ability of terrorists to carry out terrorist acts or find refuge, and eventually to eradicate terrorism. Bilaterally and multilaterally, we share intelligence, where appropriate, and provide and coordinate training, as well as other essential resources. In addition to helping our allies and partners to enhance their capacity to combat terrorism, we lay the groundwork through active diplomacy to build a coalition that will protect American citizens and interests in Asia against terrorism. We believe this effort has reassured Asians of America's commitment to their welfare, degraded terrorist capabilities, and strengthened U.S. relations with its East Asian allies and partners.

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Drafted:EAP/RSP:BEpercival, x76094

10/21/03

Cleared:

S/CT: PFujimura, ok

EAP/IET: TCynkin

EAP/PMBS: EReddick,ok

EAP/BCLTV:AShaw,ok

EAP/RSP: RdeVillafranca,ok

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EAP/ANP: TCrowley,ok

EAP/J: WBain,ok

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